NOTES AND CORRECTIONS

TO THE

REPORT

OF THE

GOVERNMENT COMMISSION OF ENQUIRY

INTO THE

CONDITION AND MANAGEMENT

OF THE

GRAND TRUNK RAILWAY OF CANADA,

BY

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INTRODUCTORY REMARKS.

The Report of the Commissioners appointed by the Government of this Province to enquire into the financial condition and general management of the Grand Trunk Railway contains certain statements which are not in accordance with facts.

I speak more particularly with reference to that department of the Grand Trunk Railway Company's service which is under my direction—the traffic working of the line.

For a work necessarily corrective, if not censorious, in its original purpose and intent, the report is rife with instances of figures being dealt with in a strikingly negligent manner. To erroneous conclusions, deduced from false *data*, arithmetical blunders are superadded, until imposing-looking tabular statements, sententiously prefaced, can be shewn to contain little else than dross.

The mistakes, oversights, or typographical errors to which I have taken upon myself to direct the attention of the numberless readers that a work of the *ad captandum* character of the report in question will be sure to have, tend, without any exception whatsoever, to the disparagement of Grand Trunk Railway management placed side by side with that of certain other lines which the Commissioners have selected for comparison.

With the *opinions* of the Commissioners on questions affecting the general traffic policy of Grand Trunk Railway management, or the mode of working the line, I claim not the right, nor have I the inclination to interfere; and in touching upon matters that may concern myself personally in their report, I shall endeavour to confine myself strictly to questions of fact, unless where my own previously expressed views on railway working may have been misapplied, misinterpreted, or inadvertently misquoted by those gentlemen.

I write from no *desire* to criticise, but to a certain extent, with a view to rebutting implied or openly advanced charges of ill-management on my part of the very large and weighty interests intrusted to me—mainly, however, for the purpose of correcting actual mistakes—mistakes which, as they are laid bare to them, the Commissioners themselves, I would fain believe, will be surprised to see in their report.

It might have been supposed that a document emanating from so high a source, issued under the "great seal" of a Government Commission, and, as above observed, fault-finding in its very conception, would have been revised with more than ordinary care *before* publication. Better, however, that the needed corrections should be

made at this late hour than not at all,—and after all, it will not be the first important work that has called for an *errata* leaf after having fallen from the press.

Desirous that this "Appendix Extraordinary to the Report of the Government Commission" (I claim no higher title for these few leaves) should be read, as adding to the positive usefulness of the work itself, I will, with a view to that brevity which can alone ensure hearers for adverse criticisms on a popular work, notice only the most salient of the mistakes which disfigure it, and which I trust to be able to set right without in any way violating the rules of courtesy towards, or saying ought that need give just offence to the gentlemen over whose signatures they have appeared in print.

Whether the Grand Trunk Railway Company may or may not have expended thirteen millions of dollars more than they should have spent, or whether they may or may not have expended it as judiciously as they might have done; and whether they should or should not have leased or constructed certain subsidiary or extension lines, are questions of the past—the primary evils accruing from which are now beyond recall.

The system of working and management of the railway, on the other hand, are all important in the present and in the future for all time to come, for it is in the administration of the purposes of the road that the salvation of the Company's property is to be worked out if at all.

No element of railway economy enters more largely into the accomplishment of railway success than the judicious use and application of the rolling stock of a line, and in animadverting upon that branch of Grand Trunk Railway management, the report draws, from results represented as achieved on others of the Trunk Lines of the continent, comparisons reflecting strongly and most unfavorably on the former. I would particularly direct attention to the "Tabular Form" on page 31 of the report, re-printed with corrective annotations a little further on in this "appendix." When the Commissioners see wherein I take exception to their way of putting the case I feel confident they will be prompt to admit that their figures needed overhauling, badly.

Along and adjacent to all great lines of railway on this continent, there exists a popular belief that the local rates and fares are "too high," and that the railway companies would certainly be gainers by allowing the "people of the country" the advantages of railway transportation at rates below the intrinsic value of the "article" to the people themselves. To this somewhat illogical creed the Commissioners, in part at least, subscribe, and, with that same leaning to strong contrasts which marks their comparisons of engine mileage and car service, draw a very strong contrast indeed, an "instructive" one they term it, exhibitory of what might be accomplished on the extreme western portion, in particular, of the Grand Trunk, by copying the low fare policy adopted on the extreme eastern portion of the road by the Lessees of the Rivière du Loup section last year. Here again I have taken the liberty of re-printing, from pages 47 and 50 of their report, certain statements

put forward with much confidence by the Commissioners, and of placing in juxtaposition therewith, and with equal confidence, notes and corrections from my own pen, producing a "contrast" that even the Commissioners, I think, will allow extracts somewhat of its force from the "instructive" lesson which they would read to me on this question of local tariff.

Another cry that may be heard along all the other Trunk Lines of America, as well as ours, is that which charges on their managers the sin of fostering the "Through" or "Foreign" traffic, to the let and hindrance of "local" business. With this cry the report harks in, and in seeking to sustain their unqualified adoption of the popular sentiment, the Commissioners, precisely as in the other instances above pointed at, sadly misuse figures. Where and how I will be prepared to show in good time.

Apologising to the reader for the length of this preface, I will now proceed to single out a few of the most striking of the blunders from that part of the report which purports to have discovered the

"CAUSES OF THE SMALL RETURNS."

REMARKS ON ROLLING STOCK.

Extract from Report, page 30.

"One of the principal causes, which has been strongly insisted on by every one connected with the company, is the deficiency of rolling stock. Mr. Shanly in his report of November last, which will be found in the (App. XIV.) has given a tabular statement (C p. 97) of eight of the principal roads in North America, shewing the number of engines and cars per mile, and the gross earnings and expenses of each; and taking the Great Western of Canada, and the Michigan Central, as bearing the greatest analogy to our road, he has shewn that the Grand Trunk would require an addition of 31 engines and 508 cars, or of 61 engines and 846 cars, to stock it as fully per mile as those two roads respectively. He argues, moreover, that "all persons conversant with railways will readily concede, that a long road ought to have a larger equipment mile per mile than a road of one-half or one-third the length."—This latter conclusion we are not prepared to admit. If we consider only the through traffic, there is a definite amount of time lost, and of expense incurred, in loading, unloading and handling the cars at the two termini, which is the same whether the road be long or short, and as the speed and cost of moving are independent of the length, it follows that the same number of cars will take a ton of goods over more miles, and at a less cost, on the long than on the short line; and the same thing will be partially true as to the local traffic."

My views in relation to the proportions that should exist between the supply of engines and cars for very long as compared with moderately long lines of railway, are not correctly quoted in this extract from page 30 of the report. What I did say on that subject in my published report of 23rd November last, was, that "all persons conversant with *the working* of railways will be ready to concede that a long line *like ours, having a stretch of* 853 *miles between its extreme terminal points*, ought to have a larger equipment, mile for mile, than the road of one-half or one-third the length, &c., &c." The leaving out of the words in *italics* could not but give to my theory a colouring widely different from what I meant it to wear. Besides its 853 miles of direct line, the Grand Trunk system embraces upwards of 200 miles of branch lines, and any observant traveller in passing over the road from end to end, cannot fail to have been struck, as well with the varying character of the region traversed as with the extent of dreary and comparatively non-productive country toward the termini, and, though endowed with no gleam of railway science, he will, his journey over, easily be made to comprehend that there must be in the course of each year a very large amount of unprofitable hauling to be done, and that with a backward trip of some hundreds of miles to perform before again reaching the loading place, there may be good and sufficient reasons why a train of cars cannot always be had in the right place at the right time. In committing myself on this question to an opinion, the soundness of which the Commissioners "are not prepared to admit," I should perhaps have rested my case on the judgment of those accustomed to dealing with long lines, only, rather than have appealed generally to "all persons conversant with the working of railways." On a road of one hundred miles or so in length, there could clearly be no good excuse, supposing a train of empty cars to be at the wrong end of the line in the morning, for not having them at the right end by noon.

REMARKS ON ENGINE MILEAGE.

Extract from Report, page 31.

"It will be admitted however, that to enable the Grand Trunk to perform an equal amount of work with the two roads in question, its equipment ought to be more nearly upon the same footing. But although an increase of rolling stock is clearly desirable, we cannot close our eyes to the fact, that the Grand Trunk has not made nearly the same profitable use of the rolling stock it has, which it ought to have done, and which is made by other roads. We have compared it in this respect with the New York Central, and Pennsylvania Central, as roads which give the fullest returns, and we submit the result in a tabular form."

COMPARATIVE STATEMENT of the Engines and freight cars, and of the work performed by them, on the New York Central, the Pennsylvania Central, and the Grand Trunk:

	New York Central, year ending Sept., 1860.	Pennsylvania Central, 1859.	Grand Trunk, year ending June, 1860.
Length of road (exclusive of the Rivière du Loup section.)	556	356	970
No. of Engines	207	205	216
No. of miles of road to each engine	2.68	1.73	4.51
No. of freight cars of all classes	2644	2197	2610
No. of freight cars per mile	4.75	6.17	2.69
Total tonnage moved	1028183	1170240	622971
Mileage of one ton	199231392	180333140	97970102
Annual mileage of each engine	21706	16070	11550
Weekly " "	417.5	309	222
Daily " "	69.5	51.5	37
Average load of each engine in tons	44.3	54.7	39
Yearly mileage of one car with 10 tons.	7535	8208	3753
Weekly " "	150	159	72
Daily " "	25	26½	12

The tabular statement opposite, copied line for line from the report, is replete with radical errors. Take, for example, the New York Central Railroad column. The number of engines in use on that line is put down at 207; whereas the official report of that company for the year ending 30th September, 1860, and which the Commissioners had—open—before them, owns to 216.

In the Grand Trunk column, on the other hand, the *total* number of engines the company *now* own is entered; being four in excess of what we really had at the *close* of the year terminating 30th June 1860.

At the beginning of that year (1st July, 1859) we had ..... 204 Engines.
At the end of the first half of do. (31st December, 1859,) we had 207 "
And by the end of the twelve months, 30th June, 1860, the number was ..... 212 "

Now, taking the total number of miles run, in the twelve months, by the engines of the New York Central Railroad, and dividing it by a less number of engines than the work was actually performed by—is it not clear that the result must be to assign falsely to the true number of engines a larger average mileage than was really made?

In the Grand Trunk column a mistake is made just the other way. Of the 212 engines owned at the end of the year, 210 only were in actual service on the line; two having been detailed to the Rivière du Loup section, which, for the latter half of the year in question, was in the hands of Lessees, and the engines with which it was worked just as completly alienated from Grand Trunk stock as though the company did not own them at all. The average number of engines that really performed the mileage of the year was 207.

Dividing the total number of miles run in that year by 216, the number of locomotives inaccurately assigned to us in the report, it is equally clear as in the converse of the problem in the case of the New York line, that the result must be a less favorable average than if the true number of 207 had been used as the divisor. The correctness of my premises none will question, and therefore I say that the tabular form presented by the commissioners, and which, on its face, is so condemnatory of Grand Trunk management, is fallacious in its very inception, because it assumes for the foreign road nine engines less and for our own line nine engines more than each respectively had in the years from which the comparisons are drawn—making, on a division, 18 against the Grand Trunk.

There is not, however, in the above discrepancies, large and unfair as they are, sufficient to account for the startling difference which the statement shows to exist between the amount of work performed by engines on the New York trunk line and

the Canada one, respectively,—being as two to one, nearly, in favor of the former; while the Pennsylvania road is shown at the same time to beat ours, in the matter of engine service, by fifty per cent. per annum. These conclusions are entirely erroneous.

	Miles.
The total engine mileage of the New York Central Railroad in the year from which the Commissioners quote was	4,493,213
Total No. of engines according to Commissioners	207
And according to official returns of N. Y. C. R. R. Co	216
Average No. of miles run per engine, according to Commissioners	21,706
And according to official returns of N. Y. C. R. R. Co	20,802

The total engine mileage of the Pennsylvania road for the year 1859 was	3,294,220
Total No. of engines	205
Average No. of miles to each engine	16,070

I have checked the above calculations carefully, and comparing the averages obtained with the figures in the report it is clear, setting aside their errors in *data*, that the Commissioners *can* work out a sum in simple division correctly—when they take pains; but column No. 3 has not been properly cared for by them.

	Miles.
The total engine mileage of the Grand Trunk for year ending 30th June, 1860, correctly given in App. xiv. p. 101 of Report, was	3,530,546
The No. of engines, according to commissioners, was	216
And their average mileage on same authority	11,550
But by my way of dividing 3,530,546 by 216 it was	16,345

And taking for divisor the true number of engines by which the work was actually done	207
I find the true average number of miles run by each to have been	17,055
Instead of, as per report of the Government Commissioners	11,550

It seems almost a pity that the Government Commissioners should have selected for analysis on this all important subject of engine service the results of the Grand Trunk year ending 30th June, 1860, in preference to that which expired on 31st December following. They had at their command the material to have enabled them to bring down their statement to the later period; and, had they only thought of it, it could hardly have failed of being more satisfactory, alike to their readers and themselves, if, in comparing the working of the new Grand Trunk with that of the old-established arterial lines of two of the oldest states of the Union, they had presented the results, in reference to the former, of a year in which it had been worked in its entire length rather than those of one during the first half of which it was still in a fragmentary condition; for the year 1859 was fast drawing to a close before the line was completed and fully opened for traffic.

I will state what the amount of work performed by our locomotives in the whole year 1860 was, and in doing so, will avail myself of the opportunity thus afforded

me for comparing Grand Trunk operations in that respect with those of certain other lines nearer home than those the Government Commissioners have selected for judging us by.

The average number of engines in service on the Grand Trunk Railway in the year ending 31st December, 1860, was.....	212
And the total number of miles run was.....	3,908,658
Average number of miles per engine	18,437
In the same year the average mileage of engines on the Great Western Railway of Canada was	18,754
And on the Northern Railway (Toronto to Collingwood)	17,661

Thus, it may be seen that the engines of the Grand Trunk, due allowance being made for the *res dura* of a new road, cannot have been handled very badly after all;—not, at all events, *so* badly as the elaborate statistical statement on page 31 of the report would lead one to suppose.

REMARKS ON ENGINE MILEAGE (*Continued.*)

Extract from Report, page 32.

"It is also to be borne in mind (‡) that the New York Central is a passenger road to a much greater extent than either the Pennsylvania Central or the Grand Trunk, and as the average load of freight per engine is calculated on all the engines, whether passenger or freight, the returns not enabling us to distinguish between them, the comparison in this respect with the other two roads does not do full justice to the carrying capacity of the New York Central."

The deduction drawn in this paragraph is not ingenuously put. It should have been stated that the *mileage* is also calculated *on all engines*, whether in passenger or freight service, and there surely was sufficient of the railway element in the composition of the commission to have leavened the whole body with the knowledge that passenger engines make a much larger number of miles in the course of a year than freight engines do; and, therefore, that where averages are struck on all classes of engines, indiscriminately, the result must be to show most favorably for that road which runs most passenger trains. Hence it is, joined to its great extent of double line, and its highly favorable gradients, that the New York Central Railway, the great thoroughfare of the continent, presents so much higher an average of engine mileage than the Pennsylvania, the Grand Trunk, or any other of the roads instanced or that might be instanced.

A word now about the yearly MILEAGE OF LOADED CARS.

The Report shews the Canadian Line to be very far indeed behind the New York, and the Pennsylvania roads in the amount of effective service obtained from freight cars, and true it is we are so—far enough behind in all conscience to have rendered it needless to call in wrong figures to widen the distance. Yet, here, as in the case of engine mileage, the Commissioners start from the post on false *data*.

The tabular statement so often already referred to assumes the number of freight cars worked by the Grand Trunk *throughout* the year ending 30th June, 1860, to have been 2610, just the number we had when the year *closed*. A statement prepared by our superintendent of machinery, shewing what our car stock actually was at the beginning, middle and end of that year is to be found in App. XIV., page 103, of the Report, and is sufficiently explanatory to have kept the Commissioners right on this point had they bestowed even a passing glance on the figures which they publish, and which speak thus:

No. of freight cars, July, 1859	2,224
" " January, 1860	2,420
" " June, 1860	2,610
Average for the year	2,418
Our annual mileage per loaded car, therefore, instead of being, as the report says	3,753 miles.
Was in reality	4,051 "

Still, however, leaving a very wide gap between our average and those of the two American lines. Let us see if there may not be on the face of the statement itself something or other that can be pleaded for the defendant before the adverse verdict of the Report be finally confirmed in appeal.

If a school-boy who had got passingly well through his rudimentary course of arithmetic were put to analyze the three columns of statistics which occupy so leading a place on page 31 of the Report, and were asked if he could, in the figures before him, detect any cause or reason why Grand Trunk performances in the hauling of loaded cars should be so far below those of the New York Central Road, for instance, he would not puzzle over the question for five minutes before answering to this effect:—"The Grand Trunk Railway Company and the New York Central Railroad Company had each about the same number of cars; but the former did not average so many miles per car with a ten ton load as the latter did because they had not nearly so large a number of tons to divide by ten as the New York Company had." That would be his answer,—the simple solution of a very simple sum in simple arithmetic: and a very cursory examination of the true figures from which the Commissioners draw false conclusions will be sufficient to satisfy any one accustomed to deal with railway statistics that there must have been on the Grand Trunk Railway a terrible proportion of empty car hauling some where or other. The New York Central Railroad, in the year ending 30th September last, had a little over a million, we, in the year ending 30th June, 1860, a little over 600,000 tons to carry; and, coming to the mileage of the tons, it appears that for every 98 tons hauled a single mile on the Grand Trunk the New York road had 200, and the Pennsylvania road 180 tons of single mile haulage. The Commissioners should ask leave to "amend the record," and instead of charging us with having failed to juggle as many car loads out of half a million of tons as our neighbours contrived to get out of a whole million, they might better try to establish the charge of mismanagement on the score of our having failed to secure larger quantities of freight. The amendment would, however, require to be drawn with more care than characterises some parts of the Report, or it would run the risk (which might be awkward) of clashing with certain others of the views of the Commissioners, to be touched upon more particularly by and by, and which, if adopted, would prohibit the managers of the Grand Trunk Railway from going beyond the frontiers of the Province in quest of any freight at all.

In analyzing the oft-quoted tabular statement (I name it for the last time) which makes the Grand Trunk cut so sorry a figure beside its more favoured compeers, I have confined myself mainly to an examination of the first and third columns. The

middle one, relating to the Pennsylvania Railroad, I have not thought it necessary to be equally critical upon, fearing to extend my observations to too great a length. I will drop this matter, then, by stating that, as a consequence of the errors specially pointed out in columns 1 and 3, every line in each of them, save that showing the number of cars in No. 1, and those giving the length of road and number of tons in both, is radically erroneous, and ought to be scratched out.

I have now given my version of this tedious story of engine mileage and car mileage; and let the Commissioners "twist its neck about, if they dare."

REMARKS ON DELAYS TO FREIGHT.

Extract from Report, pages 33 and 34.

"Making every allowance, however, for this deficiency of appliances for a large freight traffic, which is the main difficulty, and which has incidentally led to other causes of delay, we cannot look back at the evidence which has been laid before us, without expressing our opinion, that there has been mismanagement and defective organization to a very serious extent. We have not specially sought for examples of this; they have presented themselves to us in every direction. We have only called for the evidence of a few of the customers of the road to establish some instances, but similar cases have been given to us by almost all persons who have had dealings with the Grand Trunk. When produce has been delayed for weeks in passing over a few hundred miles (Qu. 96, 139, 191)—when we hear of a ship having to leave Portland without part of her freight, although it afterwards proved that the freight, amounting to 2,000 bls. of flour. had been lying for some weeks in the cars at the port from which the ship sailed (Qu. 115)—when upon another occasion the company go to arbitration upon a quantity of wheat short delivered, and the arbitrator traces the missing grain to three loaded cars lying at their own head station at Montreal (Qu. 116)—when it is within the personal knowledge of one of ourselves, that cars having been obtained with great difficulty to go up to Collingwood for flour, one of them upon being opened was found to be full of wheat, which had come back certainly 96 miles,, and possibly all the way from Montreal—and when the same member of the commission has known loaded cars to be a week or ten days in being moved from the Queen's wharf at Toronto to the Don station at the other end of the city—when we know that these are not solitary instances, but that similar occurrences could have been multiplied in the evidence, we must come to the conclusion that no addition of rolling stock, and no extension of station accommodation, could improve the position of the company, until there is a better organization of the traffic department."

If the Commissioners have not sought specially for instances of mismanagement neither do they appear to have been loth to be convinced of its existence, or else the *ex parte* evidence of the witnesses who seem to have dropped so opportunely in their path might have suggested the propriety of allowing the defendant in the cause to be heard also. In no one instance where cases of mismanagement are cited by the Commissioners, was I, or were any of my assistants or subordinates in the traffic department of the Grand Trunk Railway Company's service called upon to explain, and, for any opportunity that was allowed us of pleading even extenuating circumstances in mitigation of our sentence, we might full as well have been accused before the Holy Inquisition and condemned on a foregone conclusion.

That delays to freight, disastrous alike to the merchant and the company, occurred last winter, every body in Canada knows. The causes too are known. But the Commissioners in commenting on the evidence before them make but slight allusion to or allowance for the fact that not only was the working of the line greatly impeded by the almost unparalleled severity of the winter, and the extraordinary weight and duration of drifting snow storms, but that at times it was actually stopped for days together east of Kingston; that other northerly routes experienced like interruptions; that as many as four days sometimes elapsed without a New York mail being received in Montreal; while the tremendous detruction to rails, motive power, and machinery, presented sad proof that this most northerly of the Trunk lines must ever be liable for four months in the year to work under disadvantages that its rivals in more favoured latitudes know nothing of.

Amid the nebulous accusations of general mismanagement all round the Commissioners make something like four distinct charges, in the paragraph here re-printed from pages 33 and 34 of their Report. The first one—That 20 car-loads of flour (2000 bbls.) had been lying in the cars for weeks at the port (Portland) while the ship had to go to sea without them, is wholly unfounded,—the evidence adduced in support of it (Qu. 115 in the Report) entirely *ex parte* in its character, and so feeble that the witness cannot get beyond saying that he "understood" so and so to be the case.

The second charge—that about the three cars of grain put astray at Point St. Charles—is correct to the letter, and only excusable on the grounds of the utter insufficiency of the means and appliances, at that station, for conducting with proper regularity, economy, and despatch so large a freight business, more especially in reference to grain in bulk, as came upon us there, almost like a calamity, last autumn; when we were driven from day to day, and almost from hour to hour, to laying down additional and temporary tracks in the fields and in the mud to make room for our grain cars. Until very considerable improvement in the means of doing

large freighting business, as it should be done, at Point St. Charles, and at Montreal itself, shall have been effected I would not undertake to say that blunders similar to the one here paraded by the Government Commissioners, and which, in the quantity of freight affected by it, bore the proportion of about one-tenth of one per cent. to the whole business done at that station last fall, may not again occur.

Charge No. 3. A car laden with grain, sent in mistake for an empty one from Toronto to Collingwood, also correct: but practical railway men, accustomed to deal with large numbers and large undertakings, will not detect in it whereon to found a sweeping charge of incompetency against the management of a railway spanning half a continent. On the occasion of the occurrence in question, 40 Grand Trunk cars were sent to Collingwood to be loaded, and that one of them went not empty may be charged in about equal proportions to the stupidity of a station agent in the service of the Grand Trunk and of a conductor in the service of the Northern Railway Company. The good natured suggestion of "one of themselves," which the Government Commissioners have thought it worth their while to record, that "possibly the load of grain may have been brought back all the way from Montreal," the public will take for what it is worth.

Referring to the fourth charge,—the witness, "one of themselves" again, on whose testimony it is reported, has, in stating the bare fact, told nothing but the truth; but he has not told the *whole* truth. That suggestive member of the Commission might have told his colleague what "the loaded cars which he has known to be a week or ten days in being moved from the Queen's Wharf, Toronto, to the Don Station at the other end of the city" were loaded with. Was it not with articles of that same "foreign" freight the grasping at which is so censured by the Commissioners as one of the "causes of the small returns?" Did not those loaded cars belong to the Northern Railway Company, and did they not reach Toronto after the close of navigation, when the freight, chiefly for Boston, that market which the Commissioners would wholly interdict to the Grand Trunk, could be sent forward by the Grand Trunk only, but never would have been offered to it had the lake been still available for forwarding?

But, it may be asked, wherein does the charge of mismanagement lie in this case? The Queen's Wharf and Don Stations are scarce two miles apart. What then in point of despatch would the freight have gained in merely being moved from one Way Station to another? The answer is this,—while at the Queen's Wharf the cars stood on Northern Railway grounds, and their freights were still in the hands of the Northern Railway Company. Moved to the Don the responsibility of detention moved with them, from Northern Railway shoulders to those of the Grand Trunk, and it could not have been otherwise than convenient to the manager of the former line to have been able to tell his correspondents in Milwaukee and Chicago that their flour was now in the hands of the Grand Trunk, and that any delays it might thenceforward meet with would be chargeable to that company alone.

It is quite natural and quite fair that the Northern Railway Company should choose the cheapest route for their Through Freight, and prefer the lake and river to the

Grand Trunk while navigation lasts; but it is neither fair nor businesslike to expect the Grand Trunk, when hard enough set to find motive power and cars for its own local business, to go out of its way to carry for the Northern line such Through Freight as it may find itself burdened with when despatch by boat from Toronto is no longer practicable. This charge of delaying, or, more correctly speaking, refusing to receive the Cars of the Northern Railway Company at inconvenient seasons may be renewed by that company, and admitted by the Grand Trunk, year after year, until the latter shall be in a position *to take all the Through business that may offer.*

The Great Western Railway Company might make a similar charge, or at least state a similar fact as coming within their own experience, of delays to their cars at the Queen's Wharf; but I am much mistaken in the managers of that line if they would charge it as a fault upon those of the Grand Trunk that they give a preference to their own local, and even to their own foreign customers, before ministering to the wants of those who only use the Grand Trunk route when it may serve their turn for the moment.

REMARKS ON FOREIGN FREIGHT.

Extracts from Report, page 36.

"It is so evident that the freight which goes over the whole line can be carried at little more than the cost of moving, whilst the local traffic must bear the expense of the stations and staff along the line, and of the frequent delays and waste of power."

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Pages 37 *and* 38.

"Yet, with a manifest inferiority in taking freight even to Portland, the desire to obtain through business has led the Company to carry it on to Boston at the same rate. It appears doubtful to us whether it does more than pay to take it to Portland, but out of their scanty earnings they pay $1 50 per ton to another company to take it on to Boston.

"The policy of the Company in this particular appears to us to be so mistaken, and so injurious to the best interests of the road, that we do not hesitate to consider it more in detail. Up to February, 1861, the rate from Detroit to the Ocean, as fixed by the convention, was 70 cents per barrel for flour, and whether the freight was delivered at Portland or Boston, the Grand Trunk charged the same rate, although in the latter case, it had to pay out of the 70 cents 15 cents to the steamers which run between Portland and Boston, leaving for the Grand Trunk only 55 cents or about $\frac{6}{100}$ of a cent per mile. The Revenue accounts shew, that for the last two years the proportion of 85 per cent., which the running expenses bear to the receipts, has remained nearly constant, and supposing the through business to yield the average profit, which may well be doubted, it would cost the company, in running expenses and maintenance, 59½ cents to take a barrel of flour from Detroit to Portland, leaving a net profit of 10½ cents. Yet they pay 15 cents to the Boston Boats, and have consequently expended 4½ cents for the privilege of carrying the barrel, and of swelling their aggregate returns of business."

The admission here made that "it is so evident that freight which goes over the whole line can be carried at little more than the cost of moving," seems to have been lost sight of by the Commissioners before they had got to the bottom of the next page, where they assume "the cost of moving" to be 85 per cent. of the receipts,—that being the proportion which the *whole* working expenses of the line bore to the whole receipts in 1860. In addition to this evident contradiction in terms they adopt a fallacious mode of calculation to show at *how much* loss our Boston business is done,—assuming that over and above the 15 cents per barrel of flour, which is the proportion of the through rate due to the Steamboat Company carrying between Portland and Boston, we also pay all the *expenses* of transport between those places; for instance, taking 70 cents as the freight of a barrel of flour (Detroit to Boston) they first deduct 15 cents, which they hand over as clear profit to the Steamboat Company, and then calculate 85 per cent. of the original 70 cents as the working expenses of the Grand Trunk. This is entirely a mistake. *Our expenses cease at Portland;* and if the Commissioners will have it that the mere moving of the freight costs us 85 per cent. of what we get for it—the 85 per cent. should be calculated not on 70, but on 55 cents. It seems singular that one member, at all events, of the Commission should be so far away from understanding the mode in which "through rates" are dealt with between the parties in interest. In calculating the cost to the Grand Trunk of carrying this "through freight," they might full as well have started at Chicago as ended at Boston, and, deducting the proportion of the through rate belonging to the Michigan Central Railroad Company as well as the 15 cents due to the Portland Steam Packet Company, have then charged to Grand Trunk expenses 85 per cent of the whole original rate; in other terms saddling the Grand Trunk with all the expenses of the connecting lines in addition to its own.

A repetition of their own figures will, perhaps, explain more clearly this singular misapprehension on the part of the Commissioners of a subject with which they have undertaken to deal so authoritatively.

Assumed Rate Detroit to Boston, per bbl. of flour	70 cents.
Assumed working expenses, 85 per cent	59½ "
Balance remaining over	10½ "
Amount to pay to Steamboat Company	15 "
Loss to Grand Trunk Company per bbl	4½ "

If the above formula were correct, this Boston business would certainly be a bad one for us, but does it not seem hard of belief, even amid all the many foolish acts laid to our charge, that we would go on, year after year, toiling after so palpable a loss?

The calculation should have been made in this fashion:

Assumed rate, Detroit to Boston	70 cents.
Proportion due to Steamboat Company	15 "
Leaving to Grand Trunk	55 "
Assumed working expenses (85 per cent)	46¾ "
Balance for profit	8¼ "

Not a largely paying business, perhaps, but a gain of eight cents is, at all events, better than a loss of four.

The Commissioners, however, here as in so many other instances, set out on false premises. They say that "up to February, 1861, the rate from Detroit to the *Ocean*, as fixed by the Convention, was 70 cents per barrel." This is not strictly true. From Detroit to *New York* the rate undoubtedly was fixed by the Convention, assembled in New York on 18th October last, at 70 cents. The railway member of the Commission, should this meet his eye, will at once see wherein the distinction lies, and at once admit his mistake. Rates on 4th class freight and flour are, per Convention regulations, 5 cents more per 100 lbs. to Boston than to New York. The Boston rate, therefore, on which the Commissioners should have based their calculation, was 80 not 70 cents per barrel; leaving to the Grand Trunk 65 cents instead of 55; and, deducting the Commissioners 85 per cent. for working expenses, the balance remaining for profit, &c., will be 9¾ instead of 8¼ cents.

It should also be noted that the rates agreed upon in Conventions of the Five Atlantic Trunk Lines are *minimum* rates; and that the Grand Trunk has never come down to the minimum since the publication of the Tariff of 18th October, 1860.

It may be worth while, since so much is said abroad about the craving of Grand Trunk managers for "Through" or "Foreign" traffic, and since so large a space in the report is devoted to endorsing what is said, to enquire what in reality this Boston business amounts to in the course of a year, and what proportion it bears to the local business of the line, to the hinderance of which the Commissioners, lending a willing ear to a popular delusion, say that it is fostered.

The total number of tons of freight carried on the Grand Trunk in the year 31st December, 1860, was	685,317
The total tonnage to and from Boston and places in Canada and West of Canada, same year, was	40,505

Scarcely six per cent. of the whole freighting business of the line, and yet, limited as the quantity is, it is very far from being wholly of that "foreign" class of freight the grasping for which is held up in the report as among the primary causes of the misfortunes and difficulties of the Company; for of these 40,500 tons only about one-third came from beyond the Canada frontier, at Sarnia, the remainder having been so far "local" in its character that it consisted for the most part of articles of Canadian growth carried to Boston in the interests of Canadian people. For good or for

evil, then, Boston business, after all that has been said about it, plays but an insignificant part in Grand Trunk traffic; and if it must be accepted as among the "Causes of the Small Returns," it is, at all events, too remotely connected with them for a speedy remedy to be looked for in its abandonment; a step that would be tantamount to telling the people of the Province that if they *will* trade with Boston they can no longer be allowed to do so through the agency of their own Great Railway.

To assert that the existing policy of Grand Trunk Traffic management is to prefer Boston to Portland as the Terminus of the line, is to promulgate an error. The commerce of the latter city is of very limited extent as compared with that of the former; the trade with which we accept as a necessity rather than seek after as a good. But that, in the meantime, no legitimate efforts are wanting on our part to arrest the trade at Portland, can easily be shown by a comparison of the business done there last winter, with that of any previous year; when for the first time in the history of the Grand Trunk Railway, and through the unsparing exertions of those in whose hands its traffic management is, a large fleet of sailing vessels took in cargoes there for European ports, while other Ocean Steamers, besides those of the regular weekly line of the Montreal Company, made it a port of call.

The relative amount of business done with Portland and with Boston during our last Portland season, December to April inclusive, was as follows:—

EASTWARD BOUND FREIGHT.

Portland business proper	29,410 tons.
Shipped to Europe	34,084 "
Total tonnage to Portland	63,494 "
do. to Boston	7,184 "

WESTWARD BOUND FREIGHT.

Total tonnage from Portland	9,576 "
do. do. Boston	4,157 "

And the proportions of the above coming from or going to the WESTERN STATES were:—

EASTWARD BOUND.

To Portland	4,770 tons.
To Boston	1,585 "

WESTWARD BOUND.

From Portland	66 "
From Boston	64 "

EARNINGS OF RIVIERE DU LOUP SECTION AND DETROIT SECTION COMPARED.

ROMANCE.

Extracts from Report, page 47.

"Another question of considerable interest arises, viz.: whether the local rates are not in some cases too high, and whether a larger revenue would not be raised by reducing them. * * * * * * *

"The Riviere du Loup line is a notable example of what may be done in this way. By lowering the fares, and studying the convenience of the population, Messrs. Abbott and Freer (Qu. 242) succeeded in raising the receipts of this section, which has absolutely nothing but local business to depend on, to a respectable figure—very far in excess of the Detroit line, with all its through traffic. We entertain no doubt that a similar policy would materially increase the receipts between Quebec and Richmond, and probably on many other sections." (Qu. 243, 250.)

Page 50.

"The total loss by the Detroit road during the year 1860, we have before alluded to. It is $259,326, or 8 per cent. upon the gross earnings of the rest of the line, which only shews a net profit of 16 per cent., out of which to bear its own charges for rents and interest on capital. Mr. Shanly's special report upon the line, which will be found in the Appendix (p. 104 et seq.) is well worth perusal. It shows conclusively that the line never can pay expenses, and candidly admits that it can only be made to appear to do so by merging its receipts and expenditure in those of the rest of the road. We would especially call attention to his allusion to the French settlers along the line, whose sedentary habits, he says, render the local traffic of this section as unproductive as that to Riviere du Loup; but we would at the same time point out that the receipts on the latter section (Appendix VIII., p. 44) were raised by Messrs. Abbott & Freer on the average of 11 months, although only partially opened during half the time, and having necessarily no through traffic, to $33 per mile per week, and after it was all opened to $43; whilst their compatriots in the West, including the much coveted through traffic of the Western States, only yielded for the year ending December 31, $28 per mile per week. The contrast between the two extreme sections of the road is instructive—the one is complained of as forced upon the Company, and opposed to all 'commercial principles;' the other is sought after as essential to their commercial policy, and is called by Mr. Shanly, 'a necessity which they could not possibly have avoided.'"

REALITY.

At the close of the year 1859, that part of the Grand Trunk Railway known as the "Riviere du Loup" section was leased or "farmed" to two gentlemen carrying on business under the name and style of "Abbott and Freer." They had both previously had some railway experience on other parts of the line as contractors for keeping up the permanent way, and the highly satisfactory manner in which they had performed all their undertakings pointed them out as fit and proper persons to be entrusted with the working of a part of the road which, from the very limited and peculiarly *local* nature of its traffic, it was deemed advisable to keep apart from the general working of the Grand Trunk proper.

Previous · December, 1859, that part of the line had been open for traffic as far as St. Thomas only—a distance of 40 miles from the junction with the Quebec and Richmond line, or 48 miles from Pointe Levi opposite Quebec.

When the lease was made to Abbott and Freer, the road had just been completed as far as St. Paschal (53 miles below St. Thomas), and from Pointe Levi to that point, 101 miles, was worked by the lessees for the first half of 1860.

In the beginning of July the Section was completed in its entire length, to Riviere du Loup, 126 miles, and was so worked by Messrs Abbott and Freer until December last, when the lease expired, and the road was resumed by the company.

Immediately upon their undertaking the working of the road the Lessees inaugurated a system of very low rates and fares, their tariff per passenger and per ton of freight, per mile, being about half what is levied on the Grand Trunk proper.

The receipts of the road under this system were as follow:

HALF YEAR ENDING 30TH JUNE, 1860.

Number of miles worked	101
Gross earnings	$14,494·11
Average earnings per week	557.46
Do. Do. per mile per week	5·52

HALF YEAR ENDING 31ST DECEMBER, 1860.

Number of miles worked	126
Gross earnings	$30,143·92
Average earnings per week	1,159·38
Do. Do. per mile per week	9·20

WHOLE YEAR ENDING 31st DECEMBER, 1860.

Average number of miles worked	113½
Gross earnings for year	$44,638·03
Average earnings per week	$858·42
Do. Do. per mile per week	7·56

That the low scale of rates adopted by Messrs. Abbott and Freer was, and is (for it continues in force) well suited to the mode of life and habits of the people with which they had to deal I freely concede, but must at the same time record my opinion against its applicability to other sections of the Grand Trunk, not excepting the Detroit and Port Huron line, between the results of Grand Trunk policy on which, and that of private individuals on the other, the Commissioners would draw so "instructive" a contrast. The meagreness, at best, of the traffic on the Rivière du Loup line, and which on the 126 miles open in 1860 advanced to $7.56 per mile, per week, as against about $5.60 on the 40 miles worked in 1859, rendered the experiment so far a safe one that, whether it failed of its intended effect or whether it succeeded in doubling the earnings, the result could neither be very hurtful nor very much the reverse to the interests of the Company. To the Lessees, who inaugurated the experiment at their own risk, I give all due credit, but it is quite certain that the progressive increase of traffic under the very cheap transport system, after a year and a half of trial, has not been such, compared with the steady progression on other parts of the line, as to warrant one in prescribing it for the Grand Trunk generally. The gigantic patient, though undoubtedly sick, is very far, let me say, from being *in extremis*. Youth and a good constitution will work wonders for him yet, but, meantime, his strength must not be brought too low by quack medicine, and the low fare regimen so strongly advocated by the disciples of Mr. Chapman.

The average receipts of the Detroit and Port Huron line for last year are correctly stated by the Commissioners at $28 per mile, per week, but for men with so important a mission to fulfill, they have published a singular and unwarrantable mis-statement in announcing the earnings of the Rivière du Loup line to have been raised, by the adoption of a policy opposite to that pursued by myself as Traffic Manager of the Grand Trunk Railway, to a "respectable figure, very far in excess of the Detroit line with all its through traffic." The figures I have quoted above in reference to the former section, and which will bear any test the Commissioners may choose to submit them to, show that the average receipts of the Rivière du Loup line have, in reality, attained to but a fraction in excess of one-fourth of the earnings of the much condemned Detroit line; presenting a "contrast" fully as strong, and, in its way, perhaps fully as "instructive" as the illusory one brought out in such strong prismatic colours in the Report.

In introducing my remarks on the Report I engaged to limit them to a few only of the most salient of the mistakes, oversights, and consequent fallacies which crop out, invitingly for the critic, on almost every page. I must redeem my pledge: but will first take permission to lay down a few dry aphorisms, as articles in that creed which the Traffic Manager of the Grand Trunk Railway, though a new man were to fill the office every year, will sooner or later have to rehearse.

1st.—LOCAL TRAFFIC always must have, as it always has had, a preference over *Foreign* Traffic. It pays best, and it is in its interests that the most expensive portion of the costly machinery and organization of the line has to be maintained. But he who would lecture with effect on those two sources of railway revenue must approach his subject with all narrow and sectional feelings laid aside, remembering that, among railways, the Grand Trunk of Canada, so called, has, in its geographical features at all events, no parallel. The terms "local" and "foreign" must be construed in a sense widely different from that which, at school, he was taught to attach to them. To the Manager of the Grand Trunk Railway the citizen of the United States, in Michigan at one end of the line, and in Maine at the other, must be as much a "local" customer as the subject of Her Majesty between. The flour which the Merchant in Detroit sends to the Lumberman in Portland must have no "foreign" taint in his nostrils. Unless this *law* be recognized it is in vain to preach about working the Grand Trunk on "commercial principles", as the Liverpool cant phrase runs: and if, after the fashion set by the Government Commissioners, the part which this Province has had in the undertaking is to be for ever dragged forward to hamper it with an invidious nationality the Government loan, so far from being a boon, can only be looked upon as a curse, clogging continually the legitimate working of the machine.

2nd.—THROUGH or FOREIGN TRAFFIC will continue to be done, in annually increasing amount, as the means of doing it are supplied and perfected, even though the Government Commissioners should sit *en permanence* and perennially proscribe it as one of the "CAUSES OF THE SMALL RETURNS." That it has injuriously affected the returns so far can be true in reference to its absence only, for it has heretofore formed but a very minor element in the receipts of the road. The earnings of the Detroit line are an exact index of what the far-western business of the whole Grand Trunk amounts to, and they show that that class of freight has never yet attained to the dimensions of one-fifth part of our total merchandise traffic. The more complete and perfect the means for doing local business the more easily and profitably can we take the "foreign," which, with the line fully equipped for the fullest local wants, would flow to us nearly as so much gain. We can calculate with tolerable accuracy the *ratio* in which our local business must increase, and we know that it cannot be in extraordinary proportions, or of much more rapid growth than the growth of the country itself. We know, too, that we must not reckon on having every year in Canada, so redundant a crop as that of 1860, and we believe that were "foreign" business to be wholly spurned now, when plenty is in our borders, we might some day have to call it when it would not answer.

The occasional delays to freight, owing to natural causes, or to causes inseparable from the training of a great undertaking, have, doubtless, engendered a strain of popular ill humour against the management of the line, a feeling that the Commissioners have carefully labored to foment; but, the annoyances past, the good sense of the people will be ready to allow that so huge a piece of machinery as the Grand Trunk Railway, cannot in fairness be expected to work with perfect smoothness and regularity from the start, and that time must be granted for bringing all its parts into harmony. The delays referred to are in no way traceable to the grasping at "foreign" business, for we were doing none, or next to none, of it when they took place, and unpopular as that term "foreign" now is, the time will come when the people of Canada will see with pride a great stream of traffic, in the grain of the West and the cotton of the South, flowing through their country and enriching its commerce; for neither through sectional prejudices nor through any course of narrow minded policy can the Grand Trunk Railway long be prevented from taking its legitimate stand among the great highways of America.

3rd.—PORTLAND, if it is ever to take a high rank among the seaport cities of New England, must look to the legitimate enterprise of her citizens to ensure her position, instead of waiting in the vain hope of being enabled some day, through a change of policy in Grand Trunk management, to underbid her neighbour Boston for the trade of Western Canada and the Western States. *Boston will never allow that;* for not only is she nearer by independent lines of communication to every point in Western Canada, (west of Prescott,) and in the Western States than Portland is by the Grand Trunk, but even Portland itself can be reached from all points beyond Lake Ontario in fewer miles by way of Boston than over our line. The continuity of the Grand Trunk may be taken as a counterpoise to this disadvantage, and as placing Portland, in respect of distance, on a par with Boston, and we proclaim our ability to deliver all the products of the west *in* Portland, and to supply the West with imported merchandise and home manufactures *from* Portland, as cheaply and expeditiously as the like trade can be sustained between the West and Boston. Portland, with her noble harbour, the terminus of a great arterial line of railway, presents an inviting field for commercial enterprise; but it can be turned to proper account by legitimate commercial means only; not by the vain experiment of trying to undersell in markets where she has been long and favorably known a powerful and well-established rival; her equal, at least, in all natural advantages; her superior in all artificial ones. The consequences of such an attempt would be a ruinous competition, in which the Grand Trunk Railway Company would be the victim, while to Portland, though she might grab some few fleeting advantages in the scramble, no permanent advance of commercial position could possibly ensue.

4th.—BOSTON business, though altogether the least desirable that the Grand Trunk is embarked in, will, like all its other "outside" business, continue to be done in increasing amounts from year to year, *and always at low rates*, because, as already stated, ours is the longest route to Boston, and neither the Canadian seller nor the Massachusetts buyer will pay for the mere name of using the Grand Trunk,

more than the shorter lines will carry their goods for. Of our trade with Boston, which at best, as above shown, is not large, by far the larger part originates in Canada. Our deciding to give it up would in no way change the relative position of buyer and seller. The former will not remove his place of business from Boston to Portland, nor forego his trading proclivities with Canada, merely because he has one road the less, and that the longest one, for getting to and from his own old city by; while the seller in the towns along the line will have one more Grand Trunk grievance—one more case of Grand Trunk mismanagement to preach upon when told that he must absolutely send his potatoes, barley, oats, "dressed hogs," eggs and fowl to Boston by the American railroads only, or wait till some Portland buyer comes along to offer for them, and again allow him free use of the Canadian route to an Atlantic market.

The puzzled manner in which the Report lectures about our "passing by" Portland and paying so much out of our earnings for the "privilege" of going to Boston almost warrants one in supposing that the writers take the Grand Trunk Railway Company to be *merchants* as well as *carriers*, with the power of controlling the destination of the freight that comes upon the line. This is a mistake. There is always a consignee who has something to say in the matter, and who, as a general rule, expects his freight to be laid down for him somewhere unreasonably near his own door.

Once again—Boston business, small as may be the profits, will never cease to enter into Grand Trunk Railway returns, because it is one of the hard necessities inseparably linked to Grand Trunk Railway destiny.

CONCLUSION.

In thus publicly commenting on the Report of the Government Commission of inquiry into the condition and management of the Grand Trunk Railway of Canada, my undertaking was to point out and correct certain unmistakeable mistakes, which, knowing them as such, it would have been wrong to allow to stand uncontradicted, for the names of persons in high places may easily lend to unchallenged error the gloss and currency of fact. I trust I have not wholly failed to show that what I asserted to be wrong in the Report *is* wrong. Doubtless it may be said, and every just man will concur, that in so arduous an investigation as the Commissioners took in hand, and the weight of labour attaching to which is evidenced by the bulk of the volume they have given to the public, the usual allowance should be made for oversights and error; more especially when it is considered that they were limited as to time for the due performance of their task—not half a year having elapsed between the date of the Commission and the date of the Report; still, with an Auditor-General of the Accounts of a Province at one side of the table, and a successful Railway

Manager at the other, it would seem not to have been too much to expect that important calculations, involving grave charges of mismanagement against men burdened with responsibilities admitting neither of mental nor of physical relaxation, would have been checked with, at least, ordinary care before the Judges had lent the sanction of their signatures to arithmetical blunders and incorrect deductions. That the Commissioners, if I may expect the honor of their reading these few pages, will detect for the first time the mistakes I have pointed out I would willingly believe, but "evil is wrought by want of thought as well as want of heart," and those who accept the office of Public Censors should not be above revising manuscript and correcting proof. Mistakes in print are awkward facts.

W. SHANLY,

General Traffic Manager,
Grand Trunk Railway of Canada.

Montreal, 1*st July*, 1861.